



Billing code 3410-02 P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 905

[Doc. No. AMS-FV-13-0009; FV13-905-2 FIR]

**Oranges, Grapefruit, Tangerines, and Tangelos Grown in
Florida; Relaxing Size and Grade Requirements on Valencia
and Other Late Type Oranges**

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Affirmation of interim rule as final rule.

SUMMARY: The Department of Agriculture (USDA) is adopting, as a final rule, without change, an interim rule that changed the size and grade requirements prescribed under the marketing order for oranges, grapefruit, tangerines, and tangelos grown in Florida (order). The interim rule reduced the minimum size for Valencia and other late type oranges shipped to interstate markets from 2-8/16 inches to 2-4/16 inches from May 15 through August 31 each season. The interim rule also lowered the minimum grade for Valencia and other late type oranges shipped to interstate markets from a U.S. No. 1 to a U.S. No. 1 Golden from May 15, 2013, to June 14, 2013, and to a U.S. No. 2 external/U.S. No. 1 internal from June 15, 2013, to August 31, 2013. This rule provides additional Valencia and other

late type oranges for late season markets, helping to maximize fresh shipments.

DATES: Effective [INSERT DATE 1 DAY AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Corey E. Elliott, Marketing Specialist, or Christian D. Nissen, Regional Director, Southeast Marketing Field Office, Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA; Telephone: (863) 324-3375, Fax: (863) 325-8793, or E-mail: Corey.Elliott@ams.usda.gov or Christian.Nissen@ams.usda.gov.

Small businesses may obtain information on complying with this and other marketing order regulations by viewing a guide at the following website: <http://www.ams.usda.gov/MarketingOrdersSmallBusinessGuide>; or by contacting Jeffrey Smutny, Marketing Order and Agreement Division, Fruit and Vegetable Program, AMS, USDA, 1400 Independence Avenue SW, STOP 0237, Washington, DC 20250-0237; Telephone: (202) 720-2491, Fax: (202) 720-8938, or E-mail: Jeffrey.Smutny@ams.usda.gov.

SUPPLEMENTARY INFORMATION: This rule is issued under Marketing Order No. 905, as amended (7 CFR part 905), regulating the handling of oranges, grapefruit, tangerines,

and tangelos grown in Florida, hereinafter referred to as the "order." The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), hereinafter referred to as the "Act."

USDA is issuing this rule in conformance with Executive Order 12866.

The handling of oranges, grapefruit, tangerines, and tangelos grown in Florida is regulated by 7 CFR part 905. Prior to this change, the minimum size for Valencia and other late type oranges was 2-8/16 inches in diameter. Also, prior to the change, the minimum grade was a U.S. No. 1 from August 1 to June 14 and a U.S. No. 2 external/U.S. No. 1 internal from June 15 to July 31. The industry believes there may be a late season market for Florida Valencia and other late type oranges in the food service industry. However, the previous size and grade regulations were making it difficult to supply this market.

Therefore, this rule continues in effect the interim rule published in the **Federal Register** on May 14, 2013, and effective on May 15, 2013, (78 FR 28115, Doc. No. AMS-FV-13-0009, FV13-905-2 IR) that reduced the minimum size for Valencia and other late type oranges shipped to interstate markets from 2-8/16 inches to 2-4/16 inches from May 15

through August 31 each season. It also lowered the minimum grade for Valencia and other late type oranges shipped to interstate markets from a U.S. No. 1 to a U.S. No. 1 Golden from May 15, 2013, to June 14, 2013, and to a U.S. No. 2 external/U.S. No. 1 internal from June 15, 2013, to August 31, 2013. These changes provide additional Valencia and other late type oranges for late season markets, helping to maximize fresh shipments. The characteristics of these grades are specified in the U.S. Standard for Grades of Florida Oranges and Tangelos (7 CFR 51.1140 through 51.1179).

Final Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), the Agricultural Marketing Service (AMS) has considered the economic impact of this action on small entities. Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act, and the rules issued thereunder, are

unique in that they are brought about through group action of essentially small entities acting on their own behalf.

There are approximately 29 Valencia and other late type orange handlers subject to regulation under the marketing order and approximately 8,000 producers of citrus in the production area. Small agricultural service firms are defined by the Small Business Administration (SBA) as those whose annual receipts are less than \$7,000,000, and small agricultural producers are defined as those having annual receipts less than \$750,000 (13 CFR 121.201).

Based on industry and Committee data, the average f.o.b. price for fresh Valencia and other late type oranges during the 2011-12 season was approximately \$12.42 per 4/5 bushel carton, and total fresh shipments were approximately 3.2 million cartons. Using the average f.o.b. price and shipment data, the majority of Florida Valencia and other late type orange handlers could be considered small businesses under SBA's definition. In addition, the average annual grower revenue is below \$750,000 based on production data, grower prices as reported by NASS, and the total number of Florida citrus growers. Thus, assuming a normal distribution, the majority of Valencia and other

late type orange handlers and producers may be classified as small entities.

This rule continues in effect the changes that relaxed the size and grade requirements prescribed under the order. These changes allow additional late season fruit to be shipped to the fresh market, maximizing shipments and providing additional returns to both handlers and growers. This rule revises the provisions of section 905.306 by lowering the minimum size for interstate shipments of fresh Valencia and other late type oranges from 2-8/16 inches to 2-4/16 inches from May 15 to August 31 each season. This rule further revises section 905.306 by lowering the minimum grade for interstate shipments of Valencia and other late type oranges from a U.S. No. 1 to a U.S. No. 1 Golden from May 15, 2013, to June 14, 2013, and to a U.S. No. 2 external/U.S. No. 1 internal from June 15, 2013, to August 31, 2013. Authority for these changes is provided for in section 905.52.

This action does not impose any additional costs on the industry. However, it is anticipated that this action will have a beneficial impact. Relaxing size and grade requirements for Valencia and other late type oranges from May 15 to August 31 will make additional fruit available

for shipment to the fresh market, providing the opportunity to supply the potential food service industry market. The Committee believes that relaxing the size and grade requirements provides an outlet for fruit that may otherwise go un-harvested. This action allows more fruit to be shipped to the fresh market and increases returns to both handlers and growers. The benefits of this rule are expected to be equally available to all fresh citrus growers and handlers, regardless of their size.

In accordance with the Paperwork Reduction Act of 1995, (44 U.S.C. Chapter 35), the order's information collection requirements have been previously approved by the Office of Management and Budget (OMB) and assigned OMB No. 0581-0189, Generic Fruit Crops. No changes in those requirements as a result of this action are necessary. Should any changes become necessary, they would be submitted to OMB for approval.

This rule will not impose any additional reporting or recordkeeping requirements on either small or large Florida citrus handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies. In addition, USDA has not

identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

Further, the Committee meeting was widely publicized throughout the Florida citrus industry. All interested persons were invited to attend the meeting and participate in Committee deliberations. Like all Committee meetings, the January 8, 2013, meeting was a public meeting. All entities, both large and small, were able to express their views on this issue.

Comments on the interim rule were required to be received on or before July 15, 2013. One comment in favor of the action was received. Therefore, for the reasons given in the interim rule, we are adopting the interim rule as a final rule, without change.

To view the interim rule, go to:

<http://www.regulations.gov/#!documentDetail;D=AMS-FV-13-0009-0001>.

This action also affirms information contained in the interim rule concerning Executive Orders 12866 and 12988, the Paperwork Reduction Act (44 U.S.C. Chapter 35), and the E-Gov Act (44 U.S.C. 101).

After consideration of all relevant material presented, it is found that finalizing the interim rule,

without change, as published in the **Federal Register** (78 FR 28115, May 14, 2013) will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 905

Grapefruit, Marketing agreements, Oranges, Reporting and recordkeeping requirements, Tangelos, Tangerines.

Accordingly, the interim rule that amended 7 CFR part 905, which was published at 78 FR 28115 on May 14, 2013, is adopted as a final rule, without change.

Dated: August 16, 2013

Rex A. Barnes
Associate Administrator
Agricultural Marketing Service

[FR Doc. 2013-20479 Filed 08/21/2013 at 8:45 am;
Publication Date: 08/22/2013]